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# SEARS HOLDINGS

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STATUS UPDATE PRESENTATION TO THE COURT – OCTOBER 26, 2021

## Claims Status Update

\$ in mm Group	Number of Claims	Asserted Amount	Allowed Amount Through 10/19/21	Preference Set-off	Allowed Amount net of Set-off	Allowed Amount Post-discount	Net Distributions / Reserves to Date	Remaining Amt. After Third Dist.
Allowed Opt-In Deminimis <sup>(1)</sup>	143	N/A	\$0.9	N/A	\$0.9	\$0.7	(\$0.7)	-
Allowed Opt-In Non-Deminimis <sup>(2)</sup>	190	N/A	68.3	(5.8)	62.5	46.9	(24.0)	22.9
Allowed Non-Opt Out Deminimis <sup>(1)</sup>	925	N/A	3.9	N/A	3.9	3.1	(3.1)	-
Allowed Non-Opt Out Non-Deminimis <sup>(2)</sup>	262	N/A	63.3	(17.6)	45.6	36.5	(18.4)	18.1
<b>Total Opt-In and Allowed Non-Opt-Out</b>	<b>1,520</b>	<b>N/A</b>	<b>\$136.4</b>	<b>(\$23.4)</b>	<b>\$113.0</b>	<b>\$87.2</b>	<b>(\$46.2)</b>	<b>\$41.0</b>
<i>Opt-In Claims subject to Preference<sup>(3)</sup></i>	18	N/A	6.3	TBD	6.3	4.7	(2.3)	2.4
<i>Non-Opt-Out Claims subject to Preference<sup>(3)</sup></i>	74	N/A	6.5	TBD	6.5	5.2	(2.4)	2.8
<i>Non-Opt-Out Claims - To Be Reconciled</i>	35	6.3	N/A	N/A	N/A	2.3	(2.3)	-
<i>Opt-Out Claims - To Be Allowed</i>	40	5.2	N/A	N/A	N/A	5.2	-	5.2
<i>Opt-Out Claims - Subject to Objection or Preference<sup>(3)</sup></i>	83	7.4	N/A	TBD	N/A	2.8	-	2.8
<i>Opt-Out Claims - Disallowed Subject to Appeal</i>	2	1,460.8	N/A	N/A	-	-	-	-
<b>Total Estimated Allowed Admin Claims</b>			<b>\$149.2</b>	<b>(\$23.4)</b>	<b>\$125.8</b>	<b>\$107.5</b>	<b>(\$53.2)</b>	<b>\$54.2</b>
<i>Priority-Tax - To Be Reconciled</i>	179	59.2	N/A	N/A	N/A	} \$45.5	-	} \$45.5
<i>Priority Non-Tax - Retiree 1114 Settlement<sup>(4)</sup></i>	1,338	77.6	N/A	N/A	N/A		-	
<i>Priority-Non-Tax - Subject to Objection</i>	1,050	33.1	N/A	N/A	N/A		-	
<i>Priority-Non-Tax - To Be Reconciled</i>	105	590.5	N/A	N/A	N/A		-	
<i>Secured Claims - To Be Reconciled</i>	392	34,517.2	N/A	N/A	N/A		-	
<b>Total Estimated Allowed Priority and Secured Claims</b>								<b>\$45.5</b>
<b>Total Estimated Allowed Claims</b>					<b>\$125.8</b>	<b>\$153.0</b>	<b>(\$53.2)</b>	<b>\$99.7</b>

- (1) Received final payment in full satisfaction of claims
- (2) Includes claims impacted by preference set-off subsequent to 1<sup>st</sup> or 2<sup>nd</sup> distribution
- (3) "Allowed Amount net of Set-off", "Allowed Amount Post-discount", and "Remaining Amt. After Third Dist." exclude estimated set-off or disallowance due to future preference resolutions
- (4) Allowed claimants share \$3.0mm on a pro-rata basis

## Recovery Analysis

\$ in mm		Estimates as of 10/19/2021
<b>Cash</b>		
Cash Balance as of 10/19/2021		\$23.4
Less: Total Reserves		(9.8)
<b>Total Remaining Cash as of 10/19/21<sup>(1)</sup></b>		<b>\$13.5</b>
<b>ESTIMATED REMAINING ASSETS</b>		
Real Estate		\$3.0
Utility Deposits		0.2
Other Proceeds		39.0
<b>Total Remaining Asset Recoveries</b>		<b>\$42.1</b>
<b>Estimated Cash Available to Satisfy Operating Expenses &amp; Claims</b>		<b>\$55.7</b>
<b>ESTIMATED REMAINING AMOUNTS OWED ON ADMINISTRATIVE, PRIORITY, AND SECURED CLAIMS NET OF RESERVES</b>		
Administrative Expense Consent Program		(54.2)
Priority and Secured		(39.9)
<b>Total Remaining Claims Net of Reserves<sup>(2)</sup></b>		<b>(94.1)</b>
Estimated Other Post-Confirmation Expenses/Liabilities through 6/30/22		(19.8)
<b>Total Projected Uses</b>		<b>(\$113.9)</b>
<b>Total Difference between Cash Available and Projected Uses</b>		<b>(\$58.2)</b>

- The \$58.2mm difference between estimated cash available and projected uses is expected to be covered by proceeds from preference claims and ESL litigation

## Post-Confirmation Update on Sources

(\$ in mm)	Estimates as of 10/19/21		
	Through 10/19/21	10/19/21 Forward	Total
<b>SOURCES</b>			
Cash On Hand at Confirmation	\$48.5	-	\$48.5
2017 EDA Funds	5.2	-	5.2
Contribution from Carve Out	9.0	-	9.0
Transform 503(b)(9) Obligations	12.0	-	12.0
Utility Deposits	9.7	0.2	10.0
Real Estate	17.4	3.0	20.3
Other Proceeds <sup>(1)</sup>	37.4	39.0	76.4
<b>Subtotal</b>	<b>139.2</b>	<b>42.1</b>	<b>181.3</b>
Avoidance Actions - Preference Recoveries <sup>(2)</sup>	20.0	-	20.0
<b>Total Sources</b>	<b>\$159.2</b>	<b>\$42.1</b>	<b>\$201.3</b>

## Post-Confirmation Update on Uses

(\$ in mm)	Estimates as of 10/19/21		
	Through 10/19/21	10/19/21 Forward	Total
<b>USES</b>			
Administrative Claims	\$53.2	\$54.2	\$107.4
Priority and Secured Claims	5.6	39.9	45.5
Professional Fees	42.2	12.7	54.8
Other Liabilities and Expenses	16.3	6.3	22.6
Board Fees	2.4	0.8	3.2
Taxes	0.7	-	0.7
Liquidation Trust Funding	25.0	-	25.0
<b>Total Uses</b>	<b>\$145.3</b>	<b>\$113.9</b>	<b>\$259.3</b>

## Post-Confirmation Update on Avoidance Recovery

(\$ in mm)	Number as of 7/15/21	Number as of 10/19/21	Gross Preference Period Transfers as of 10/19/21
Initial Count	3,549	3,549	\$1,862.5
Actions Determined to be Ineligible <sup>(1)</sup>	(1,344)	(1,331)	(893.8)
Actions Settled	(1,406)	(1,503)	(615.2)
<b>Open Actions (Complaints Filed)</b>	<b>799</b>	<b>715</b>	<b>\$353.5</b>

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